REMARKS

Claims 1-87 remain pending in this application.

Claims 1-87 Are Patentable Over Hawkins, Garber and Kramer

The Examiner rejected claims 1-87 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,247,000 to Hawkins et al. [hereinafter "Hawkins et al."] in view of U.S. Patent No. 5,963,923 to Garber [hereinafter "Garber"] and further in view of U.S. Patent No. 6,324,525 to Kramer et al. [hereinafter "Kramer et al."]. Essentially, the Examiner contends that this combination of references discloses all of the elements of the claims at issue. The Examiner further contends that it would have been obvious to combine these references to arrive at the claimed invention.

Applicants respectfully submit that the Examiner has failed to make a *prima facie* case of obviousness because even assuming *arguendo* that these references may be combined, any combination fails to result in the claimed invention. For example, claim 1 recites "combining a value based order" and a "share-based order" into a "plurality of contingent orders" and then executing a trade in accordance with one of the plurality of contingent orders. The other independent claims include similar recitations of functionality related to simultaneous processing of value-based orders and share-based orders to form a plurality of contingent orders, which is not disclosed by these references.

In contrast to the present invention, Hawkins et al. fails to disclose combining of value-based orders and share-based orders to form a plurality of contingent orders, which is not surprising because Hawkins et al. discloses a method and system for matching order routing of securities and for matching other transaction information on a *post-execution* basis. As stated in the abstract of Hawkins et al., the functions of the invention in Hawkins et al. occur on the post-execution side of the value chain and include matching the financials, matching the delivery instructions and confirming those deliveries and instructions. Nothing is disclosed in Hawkins et al. relating to the combination of value-based orders and share-based orders, which according to the present invention occurs on a *pre-execution* basis. While the Examiner points to FIG. 9 and FIG. 14 as showing a share-based transaction and a currency-based transaction, respectively,

these figures are simply examples of transactions that are processed by the post-execution system. There is simply no disclosure in Hawkins et al. concerning combining share-based and value-based orders on the *pre-execution* side.

Garber also fails to disclose combining value-based orders and share-based orders. This too is not surprising because Garber relates to a computerized system for making a market in international currencies. There is simply no disclosure relating to combining share-based and value-based orders. The Examiner cites Garber as disclosing an electronic brokerage and trading network. Yet none of the citations to Garber by the Examiner teach or suggest combining share-based and value-based orders.

Finally, Kramer et al. also fails to disclose combining share-based and value-based orders because Kramer et al. relates to an electronic transaction network in which a third party settlement device is replaced with periodic electronic cash transfers. There is simply no disclosure in Kramer et al. relating to the combination of value-based and share-based orders, including those citations to Kramer et al. provided by the Examiner.

In short, nothing in the cited references can be used alone or in combination to result in combining share-based orders and value-based orders to form a plurality of contingent orders, as set forth in claim 1. Similar recitations can be found in the remaining independent claims. As the entire claimed invention is not included in Hawkins et al., Garber or Kramer et al., a *prima facie* case for obviousness cannot be made because the combination of these references, even assuming *arguendo* they can be combined, does not disclose or suggest all elements of Applicants' rejected claims; hence claims 1-87 are patentable over Hawkins et al, Garber and Kramer, either taken alone or in any combination for at least these reasons. Reconsideration and withdrawal of the rejection of claims 1-87 is therefore respectfully requested.

Claims 11, 22, 40, 62 and 85 Satisfy 35 U.S.C. § 112, ¶ 1

The Examiner rejected claims 11, 22, 40, 62 and 85 under 35 U.S.C. § 112, ¶ 1 as failing to define the invention to enable one skilled in the art to use it. The Examiner contends that Applicants have failed to provide the derivation, underlying assumptions and limitations on the presented equation. The Applicant respectfully traverses the Examiner's contentions.

The equation set forth in claims 11, 22, 40, 62 and 85 is completely developed in the specification, as shown at the least by pages 24-26. Moreover, the specification sets forth examples that show one of skill in the art how to apply the equation set forth in the claims at issue to trading instruments. In general, the equation employs known (or ascertainable) values to calculate a price and a corresponding number of shares to be bought or sold at the calculated price, which is used to set the price for combining share-based and value-based orders. Examples are shown in which the schedule of prices and corresponding shares are derived from the equations in the claims at issue using all known values.

The derivation, underlying assumptions and limitations are not relevant to enable one to make and use the invention, rather the use of examples to which the equation is applied enables one to determine how to apply the equation under other circumstances. Thus, Applicants respectfully submit that the claims at issue do enable one skilled in the art to make and use the invention. Reconsideration and withdrawal of the rejection of these claims is therefore respectfully requested.

Claims 12-23 Satisfy 35 U.S.C. § 101

The Examiner rejected claims 12-23 under 35 U.S.C. § 101 for failing to define a concrete, useful and tangible output. Applicants respectfully traverse this rejection. According to the M.P.E.P. § 2106:

> Thus, Office personnel should state all reasons and bases for rejecting claims in the first Office action. Deficiencies should be explained clearly, particularly when they serve as a basis for a rejection. Whenever practicable, Office personnel should indicate how rejections may be overcome and how problems may be resolved.

The basis of the Examiner's rejection is not clear to Applicants. Given that the Examiner's rejection focuses on claims which recite instructions stored on a computer readable medium, the Applicant will respond to what appears to be the Examiner's contention, i.e., that the claims 12-23 are not patentable because they pertain to instructions stored on a computer readable medium.

Claims 12-23 follow the accepted form for computer related inventions. Returning to M.P.E.P. § 2106 at IV.B.1, "when functional descriptive material is recorded on some computer-

readable medium it becomes structurally and functionally interrelated to the medium and will be statutory in most cases since use of technology permits the function of the descriptive material to be realized." (citing *In re Lowry*, 32 F.3d 1579, 1583-84, 32 USPQ2d 1031, 1035 (Fed. Cir. 1994) (claim to data structure stored on a computer readable medium that increases computer efficiency held statutory) and *Warmerdam*, 33 F.3d at 1360-61, 31 USPQ2d at 1759 (claim to computer having a specific data structure stored in memory held statutory product-by-process claim)).

Alternatively, if the Examiner's contention is that the claimed invention as a whole fails to produce a concrete, useful and tangible result, Applicants note that the claimed invention (*i.e.*, a computer readable medium that stores instructions that when executed by a processor cause the processor to perform certain methods) enables investors to trade portfolios by specifying orders in the form of dollars (*i.e.*, a value-based order) or orders in the form of a number of shares. For example, an investor may wish to purchase a certain dollar amount of her portfolio rather than a specified number of shares of each security in her portfolio. In such a case, the present invention enables the combination of share-based orders and value-based orders prior to submission of the orders to the market. This enables the submission to the market of a single order based on a number of share-based orders and value-based orders, thereby saving processing costs. Thus, the claimed invention as a whole accomplishes a practical application and produces a useful, concrete and tangible result. See *State Street*, 149 F.3d at 1373, 47 USPQ2d at 1601-02.

Given that the purpose of the utility requirement "is to limit patent protection to inventions that possess a certain level of 'real world' value, as opposed to subject matter that represents nothing more than an idea or concept, or is simply a starting point for future investigation or research (*Brenner v. Manson*, 383 U.S. 519, 528-36, 148 USPQ 689, 693-96 (1966); *In re Ziegler*, 992, F.2d 1197, 1200-03, 26 USPQ2d 1600, 1603-06 (Fed. Cir. 1993)), the present invention clearly satisfies this purpose. Moreover, as the disclosure contains indications of the practical applications for the claimed invention (see M.P.E.P. § 2106), Applicants respectfully submit that claims 12-23 satisfy 35 U.S.C. § 101 and reconsideration and withdrawal of the rejection of these claims is therefore respectfully requested.

CONCLUSION

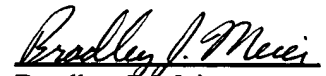
It is respectfully submitted that, in view of the foregoing remarks, the application is in clear condition for allowance. Issuance of a Notice of Allowance is earnestly solicited.

Although not believed necessary, the Office is hereby authorized to charge any fees required under 37 C.F.R. § 1.16 or § 1.17 or credit any overpayments to Deposit Account No. 11-0600.

The Examiner is invited to contact the undersigned at 202-220-4200 to discuss any matter regarding this application.

Respectfully submitted,

Dated: November 26, 2003



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